



Production Readiness Review (PRR)

Lender Payment Process Redesign
Lender Reporting System (LaRS)
FMS AR/AP/GL
August 28, 2002



Business Case

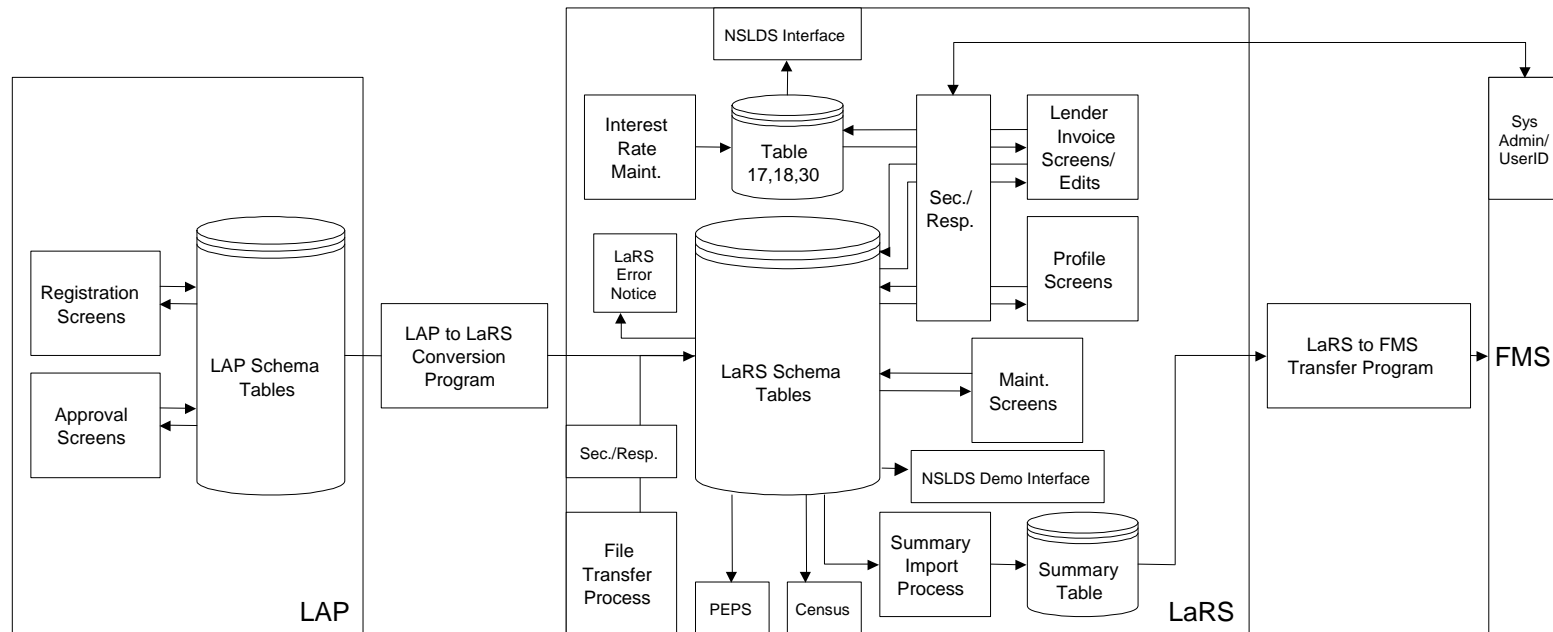
Lender Reporting System (LaRS)

LaRS is part of the Lender Payment Process Redesign effort, and enables FFEL program Lenders and Servicers to enter invoices and update their demographic information in order to integrate with the Financial Management System (FMS). The Lender Payment Process Redesign project will provide the following capabilities:

- Enable FFELP participants to electronically complete and submit reports
- Compliance with legislative and statutory requirements
- Integrate access to interest and special allowance data through FSA's Financial Management System for both the Community and FSA
- Provide timely notification to the Community of errors following submission



LAP to LaRS to FMS Process Flow





Business Case

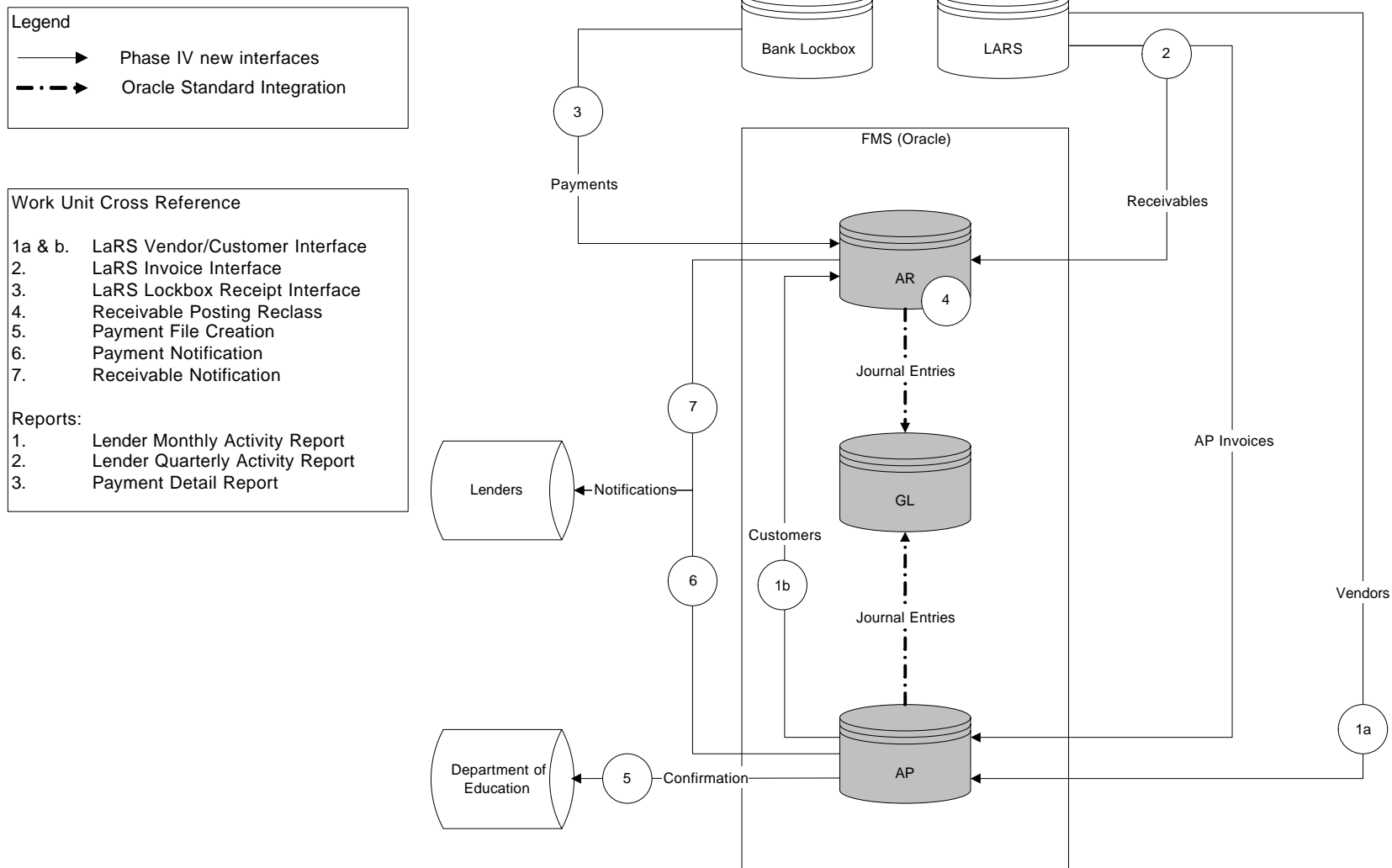
FMS (Financial Management System) Phase IV AR/AP

FMS Phase IV is part of the overall FSA Modernization Partner effort. Phase IV AR/AP will enable the processing of Lender Payments and the management of Lender Receivables . The FMS AR/AP roll-out will provide the following capabilities:

- Enable Lenders to receive electronic or check payments within Prompt Payment Act guidelines
- Enable FMS to electronically receive and process Lender payments
- Provide timely notification to the Community of expected payments and balances due
- Enable the assessment of finance charges for all delinquent balances



FMS Phase IV AR/AP Component Schematic





Summary of Approach

Planning and IPT Set-Up: This effort involved creating the IPT structure to support all stages of the FFEL Lender Reporting System Redesign project. Activities such as organizing the team, conducting a kick-off, establishing key meetings, and finalizing the plans for each phase of work occurred in this stage.

Requirements and Design: Requirements gathering involved working with subject matter experts to document the functionality required by the FFEL community and FMS. This included the creation of a detailed requirements matrix and accounts matrix that served as the blueprint for the design effort. Functional and technical designs were then created using both matrices as a foundation.

Development: During this stage, the development team leveraged specifications captured during the design stage to build the required LARS, A/P, A/R, and G/L functionality, including the configuration of FMS A/P, A/R, and G/L.

Testing: Unit, system, integration, FSA internal user acceptance testing, and external Lender/Servicer user acceptance testing were performed to ensure that the changes made to the system software provided appropriate capabilities for the FFEL community as specified in the design stage. A major aspect of the testing involved working closely with FSA system users to confirm the requirements for the FFEL community had been fulfilled.

Implementation and Deployment: This stage of work involves deploying the functionality and technology required to enable FSA, Lenders and Servicers to operate in an automated manner consistent with the functional and technical requirements.



Schedule Overview

• Project Kickoff	LaRS	April 1, 2001
	FMS	October 1, 2001
• Requirements Gathering and Design	LaRS	April 21 – August 3, 2001
	FMS	November 1 – May 31, 2002
• Initial Development	LaRS	August 3 – November 21, 2001
• Break in Schedule for Road Map		November 21 – January 31, 2002
• Development and Unit Test	LaRS	April 1 – May 31, 2002
	FMS	May 15 – July 22, 2002
• System Test	LaRS	June 3 – August 16, 2002
	FMS	June 3 – August 2, 2002



Schedule Overview - Continued

- | | |
|---|-------------------------------|
| • Integration Test | July 15 – In Process |
| • User Acceptance Test (Internal) | August 12 – August 28 |
| • User Acceptance Test (External) | August 19 – August 28 |
| • Performance Test | August 12 – September 6, 2002 |
| • Pre PRR | August 26, 2002 |
| • PRR | August 28, 2002 |
| • 1 st Deployment (Internal) | September 9, 2002 |
| • 2 nd Deployment Review Session | September 23, 2002 |
| • 2 nd Deployment (Internal) | September 30, 2002 |
| • External User Deployment | October 1, 2002 |



Testing Summary

Unit Testing: ensured that the logic programmed met the functional requirements specified in the FFEL Lender Reporting System Application Design Document and FMS Business Requirements. This testing was completed in the development environment to test each individual piece of the solution.

System Testing: LaRS and FMS development team conducted separate tests of their respective systems to ensure that the individual components function properly when integrated. Test scripts and data sets were developed and used to validate requirements, business processes and workflow. During system testing issues were logged into an Access SIR database, corrected, and retested. Daily meetings were held to discuss SIRs and progress.

Integration Testing: LaRS and FMS development team coordinated a thorough end to end test of all LaRS and FMS component to ensure that the entire system functioned properly when integrated. Test scripts and data sets were developed and used to validate requirements, business processes and workflow. During integration testing issues were logged into an Access SIR database, corrected, and retested. Daily meetings were held with IV&V to discuss SIRs and progress.

User Acceptance Test: FSA FP, FSA CFO, Lender and Servicer testing representatives had the opportunity to verify that the system satisfied requirements as defined in the design phase. Scripts and data for user acceptance testing were created by the LaRS and FMS test teams and executed by FSA, Lender and Servicer representatives.



Testing Summary

The following summarizes which team conducted each test phase:

	Test Teams		
Test Phase	Development	Functional*	Technical Architecture
Unit	X		
System	X	X	
Integration		X	
User Acceptance		X	
Performance			X

* Test Team included members of FSA CFO, FSA FP, LaRS and FMS for the User Acceptance testing phase.



Testing Summary Continued - LaRS

- During LaRS system testing 199 issues were logged and resolved prior to beginning integration testing
- Summary of Test Incidents logged during system testing:

	Status			
Test Phase	Open	Closed	Enhancement	Total
System	0	199	1*	199

- Conclusion: Successfully completed system testing
- * Enhancement: Capability to dynamically update the LARS system edits.

Closed: Error has been resolved and retested

Open: Error has not been resolved

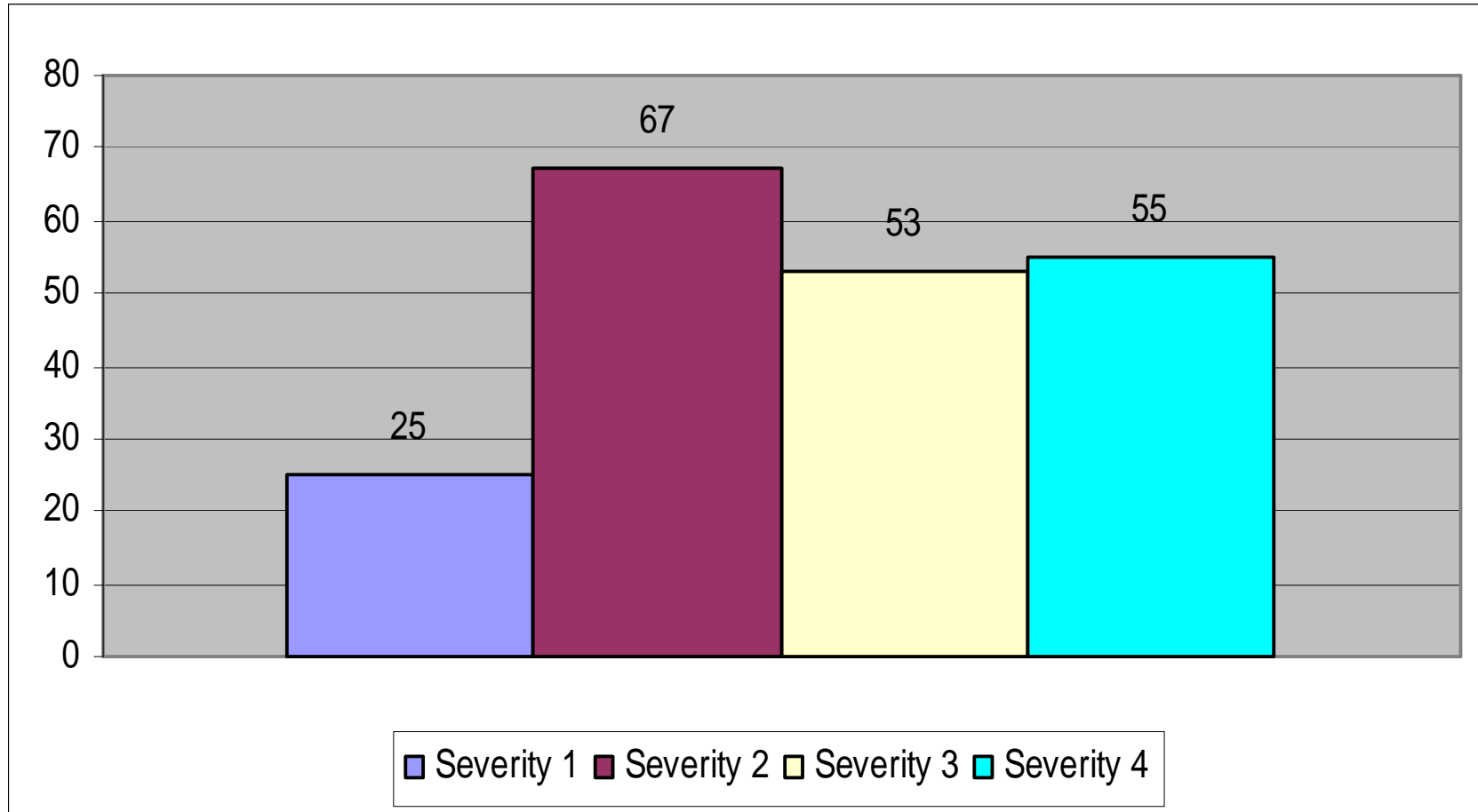
Enhancement: Feature executes correctly, but minor cosmetic changes needed

Client Clarification: Feature executes correctly, but required user clarification..



Testing Summary Continued

LaRS System Test Incidents by Severity



Severity 1: Major Problem. System doesn't respond or crashes

Severity 2: Major feature halts. Incorrect results after execution.

Severity 3: Expectations of major feature not met. Workaround possible.

Severity 4: Feature executes correctly, but minor cosmetic changes needed.



Testing Summary Continued - FMS

- During FMS system testing 17 issues were logged and resolved prior to beginning integration testing
- Summary of Test Incidents logged during system testing:

	Status			
Test Phase	Open	Closed	Enhancement	Total
System	0	17	0	17

- Conclusion: Successfully completed system testing

Closed: Error has been resolved and retested

Open: Error has not been resolved

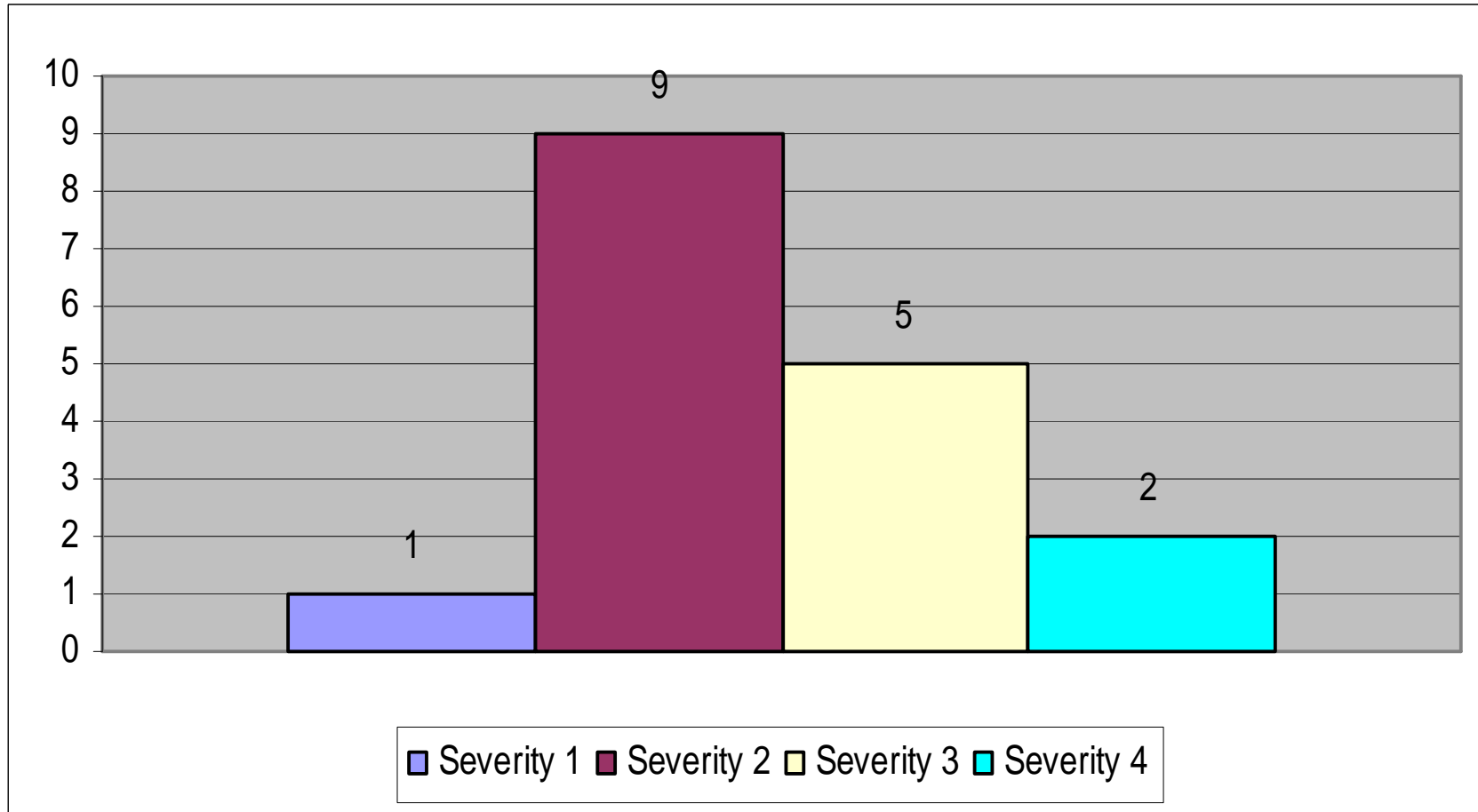
Enhancement: Feature executes correctly, but minor cosmetic changes needed

Client Clarification: Feature executes correctly, but required user clarification..



Testing Summary Continued

FMS System Test Incidents by Severity



Severity 1: Major Problem. System doesn't respond or crashes

Severity 2: Major feature halts. Incorrect results after execution.

Severity 3: Expectations of major feature not met. Workaround possible.

Severity 4: Feature executes correctly, but minor cosmetic changes needed.



Testing Summary Continued – LaRS/FMS

- During integration testing 62 issues were logged and resolved prior to beginning user acceptance testing
- Summary of Test Incidents logged during integration and user testing:

Test Phase	Open	Closed	Duplicate	Retest	Total by Phase
Integration	2	58	0	2	62
User Acceptance	1	44	11	34	90
External User*	1	5	0	27	33
Total	4	107	11	63	185

- Conclusion: Successfully completed all phases of testing for 9/9 migration
- 2 Integration Scripts (1.6 Receipt Processing & 2.10 AR Month End) will be tested for the 9/30 Release.

* Severities were not assigned to SIRS logged during External user testing.

Open: Error has not been resolved

Closed: Error has been resolved and retested

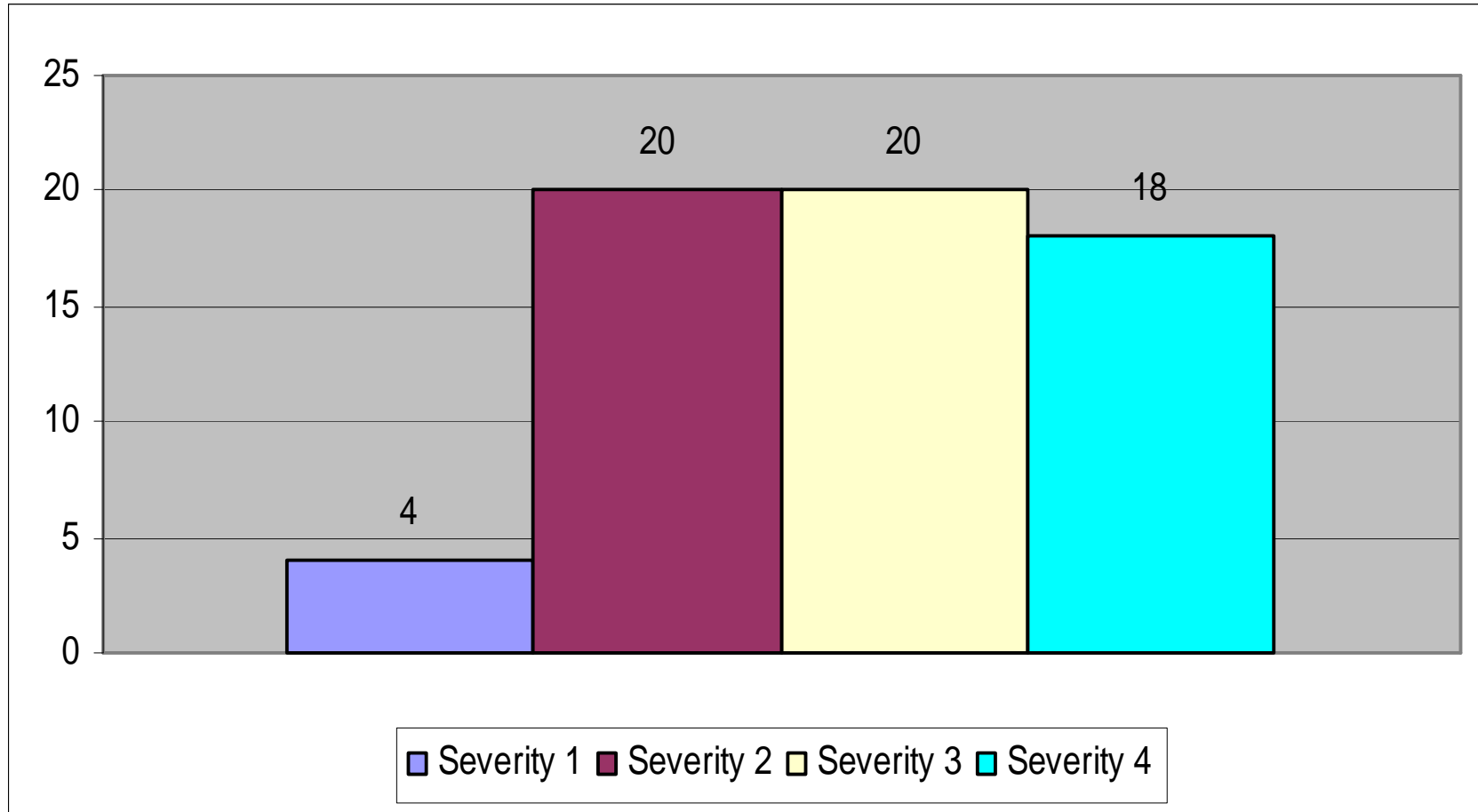
Duplicate: Identical issue was logged by another user, one SIR is being tracked

Retest: Feature has been tested successfully by testing team, but requires user retest



Testing Summary Continued

LaRS/FMS Integration Test Incidents by Severity



Severity 1: Major Problem. System doesn't respond or crashes

Severity 2: Major feature halts. Incorrect results after execution.

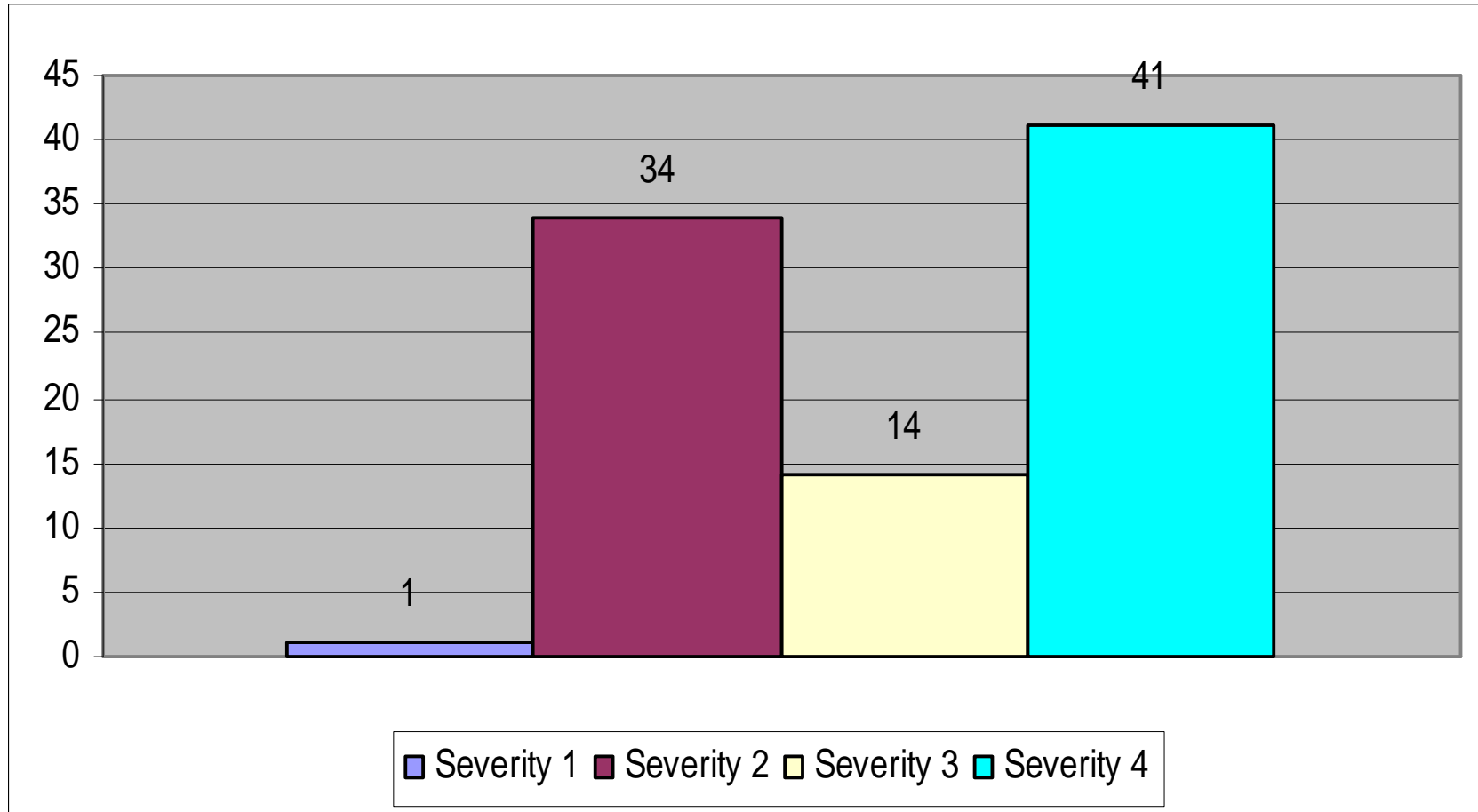
Severity 3: Expectations of major feature not met. Workaround possible.

Severity 4: Feature executes correctly, but minor cosmetic changes needed.



Testing Summary Continued

LaRS/FMS User Acceptance Test Incidents by Severity



Severity 1: Major Problem. System doesn't respond or crashes

Severity 2: Major feature halts. Incorrect results after execution.

Severity 3: Expectations of major feature not met. Workaround possible.

Severity 4: Feature executes correctly, but minor cosmetic changes needed.



Testing Summary Continued

- Current Open Integration SIRs
 - SIR 238 (Severity 2): Cannot Close AR Month of July. This SIR is related to the Posting Reclass code that will be migrated on 9/27. Code changes are being made to mark Receivable headers as posted.
 - SIR 352 (Severity 4): Cannot Close AP Period. All other script steps have passed. All AP close functionality was tested successfully in System Test. Cannot close period in INTCOM due to additional program testing. SIR is on-hold. Testing team recommends closing. Cannot be tested in INTCOM.
- Current Open UAT SIRs:
 - SIR 320 (Severity 4): The format of Invoice Import error email is too wide, making it hard to read and print. Will be re-formatted and included in 9/27 migration.
 - SIR 347 (Severity 2): Credit Memos need to be included in Posting reclass program. Will be tested and included in 9/27 migration.



External User Community Testers

- ***SLMA***
- ***Academic Financial Services Corporation***
- ***Great Lakes Educational Loan Services, Inc.***
- ***PHEAA/AES***
- ***Educaid***
- ***The Student Loan Corporation***
- ***MOHELA***
- SunTech Inc.
- Nellnet
- ***Vermont Student Assistance Corp***
- Colorado Student Loan Program
- AVP Student Loans
- Bremer Bank
- Bath National Bank (BNB)
- Brady National Bank
- HSBC
- Charter One Bank
- Texas Higher Education Coordinating Board
- First Virginia Bank

- Brazos Higher Education Services Corporation, Inc.
- Wells Fargo Financial Services
- EAC-EASCI
- Granite State Management and Resources
- Kentucky Higher Education Student Loan Corporation
- PPSLC
- National City Bank
- Citizens Bank
- NMEAF
- CSLF
- FISC Solutions
- ISAC
- SLC SC EDU
- Southwest Student Services Corporation
- Key Bank
- WSLC
- CHELAFIN



Security

No changes were made to the existing FSA FMS security structure in terms of technical architecture. LaRS will be included in the FMS security plan and will exist in a separate schema within the FMS environment.

Potential external LaRS users will have to complete a paper registration and approval process to obtain access to LaRS. External users will not have access to FMS. Once data is submitted in LaRS, automated processes will convert data to FMS. Upon implementation of LaRS, users will be able to make updates to their information using the Profile screens.

Quality Assurance

Targeted IV&V documentation and process reviews were performed by the external IV&V team for A/R and its interface to LARS. The IV&V team operates independently of the Mod Partner program and met regularly with A/R, A/P and Lender Redesign teams to:

- Perform reviews and traceability analysis of project documentation, and a targeted sample of requirements.
- Closely monitored processes, test progress and SIR closure.
- Provided list of PRR issues for Resolution.



Collaboration

Area	Responsible Party
VDC	Mike Healy
Security	Ada Ruth McIntyre
FSA CIO	Tim Branner
Applications Maintenance	Shirley Singleton
Help Desk Readiness	Shirley Singleton
Users: FP Financial Mgmt	Frank Ramos
FMS Technical Architecture	Jeff Ross, Steve Kuhl
FSA CFO Accounting Division	Cynthia Heath



Compliance

- Approach for Section 508 Standards:
 - COTS Mitigation: Oracle Corporation's accessibility program began in 1999. Details can be reviewed at <http://www.oracle.com/accessibility/summary.html>
 - July 2001: Secured Oracle letter of certification of 508 Compliance plan
 - June 2002: Confirmation received from Christine Williams that the current 508 compliance plan for FMS applies to LARS.



Summary & Outstanding Issues

- Second Release for 9/27
 - File Transfer Processing
 - Functionality not utilized until 10/1
 - Final Invoice Edit Changes
 - Functionality not utilized until 10/1
 - FMS Lockbox Interface
 - Import of receipts from Mellon Lockbox
 - Functionality not utilized until 10/1
 - FMS Posting Reclass Program
 - Current functionality does not mark Receivable headers as posted. This prevents AR Period close.
 - Functionality not utilized until 10/1.
- LARS Help Text



Summary & Outstanding Issues

- LAP applications, OPA's and FMS Security Forms have not been completed for a large portion of the Lender community.
- Performance Testing to be completed on 9/6.
- The current account mapping may lead to reconciliation issues at month end if transactions have not been processed through the entire AP or AR processes.
 - This issue exists in production currently, and is not specific to or caused by this implementation. The recommended changes to the account mapping will have impacts on other programs, and therefore need to be addressed as Production Change Requests.



Summary & Outstanding Issues

- The following risks were discussed during the 5/21/02 Design Review session and were accepted:
 - Since updating/deleting approve records is allowed, there is a possibility that data on Table 30 might be altered after 799 forms have been submitted for the quarter or after rates have been sent to NSLDS for a given quarter.
 - The Lender process, both within LaRS and FMS AR/AP, is heavily dependent on email alerts/notifications for communication to the Lender community. This adds additional risk due to the dependency on accurate email addresses, functioning email networks, as well as, firewall filtering constraints.



Sign-Off Memorandum

	<u>Name</u>	<u>Date</u>
CFO Office		
Jim Lynch (Chief Financial Officer)	_____	_____
CIO Office		
Steve Hawald (Chief Information Officer)	_____	_____
FP Channel		
Johan Bos-Beijer (Deputy General Manager)	_____	_____
FMS		
Shirley Singleton (FMS Director)	_____	_____
Quality Assurance		
Mike Rockis	_____	_____
CSC FSA Account Executive:		
Mike Healy	_____	_____